DOCUMENT RESUME

ED 397 494 EA 027 729

AUTHOR Halal, William E.
TITLE The New Management: Democracy and Enterprise Are Transforming Organizations.
REPORT NO ISBN-1-881052-53-2
PUB DATE 96
NOTE 284p.; Foreword by Raymond E. Miles.
AVAILABLE FROM Berrett-Koehler Publishers, Inc., 155 Montgomery Street, San Francisco, CA 94104-4109.
PUB TYPE Books (010) -- Viewpoints (Opinion/Position Papers, Essays, etc.) (120) -- Guides - Non-Classroom Use (055)

EDRS PRICE Document Not Available from EDRS.
DESCRIPTORS Capitalism; *Decentralization; Economic Change; Economic Climate; *Entrepreneurship; *Free Enterprise System; Leadership; Management Development; Organizational Change; Organizational Climate; *Organizational Development; *Organizational Theories; Participative Decision Making

ABSTRACT

Some organizational theorists argue that current approaches to management are not going to work in the 21st century. The book explores this modern dilemma and presents two premises underlying the design of organizations capable of responding to an increasingly complex and challenging business and social environment. The first premise is that the hierarchical "command" economy will give way to a disaggregated, "internal market" economy in which many autonomous profit centers produce a self-organizing form of control that operates from the bottom up. The second premise is that these internal markets will operate within a broader management system that is guided by the informed involvement of numerous stakeholders--a governance system defined as "corporate community." The book shows how enterprise and democracy are moving inside of business and government to transform institutions for the Information Age and asserts that only small entrepreneurial teams operating from the bottom up can master the complexity of today's global economy. Gaining stakeholder support is now essential because a knowledge-based economy has made cooperation a competitive advantage. The book draws on hundreds of examples from progressive companies and an international survey of 426 managers. Part 1 redefines the conceptual foundation of modern management to anchor today's institutions in the Information Age. Part 2 seeks to build conceptual linkages across the legal and social contracts connecting the firm to its customers, employers, and ecological community. The third part argues that informed, empowered organizational members operating in systems that allow flexible, efficient responses to market forces are the essential elements of an effective, decentralized, global economy. Eight figures, 18 tables, and an index are included. Appendices contain organizational exercises and a copy of the questionnaire. (LMI)